PRESS ANNOUNCEMENT

For immediate release **1 March 2010**

WSP GROUP PLC

Preliminary Results Announcement
For the year ended 31 December 2009

Resilient performance and maintained dividend

WSP Group plc, the leading international business supplying specialist and integrated services in the built and natural environment, reports its annual results for the year ended 31 December 2009.

Financial Highlights (unaudited):	Footnote	2009	2008	Headline Change	CER Change
Financial Results					
• Revenue		**£723.3m**	£755.2m	(4%)	(10%)
• Adjusted Operating profit before exceptional items	1, 2	**£41.3m**	£56.7m	(27%)	(31%)
• Exceptional Items	2	**£(13.1)m**	£1.0m		
• Operating profit	1	**£28.2m**	£57.7m		
• Profit before tax and exceptional items		**£38.5m**	£51.1m		
• Profit before tax		**£25.4m**	£52.1m		
• Diluted earnings per share before exceptional items		**40.6p**	56.6p		
• Diluted earnings per share		**20.4p**	57.4p		
• Operating cash flow		**£39.3m**	£55.6m		
• Net debt at 31 December		**£59.6m**	£56.2m		
Total Dividend Per Share		**15.0p**	15.0p		

Exchange rates have moved significantly between 2008 and 2009 and therefore operating growth rates are shown on a headline basis and on a constant exchange rate ("CER") basis.

Footnotes

1 Operating profit is stated after charging £6.2m (2008: £3.5m) of restructuring costs.

2 Exceptional items are those that the directors consider are of such unusual size or nature that they are required to be separately disclosed to allow the user of the financial statements to understand the underlying performance of the Group. Exceptional items in 2009 include provisions against receivables and unbilled work in Dubai and amortisation of intangible assets arising on acquisitions.

In the Chairman's Statement, David Turner, says:

"I am pleased to report a trading performance in 2009 that met our expectations in what has been a particularly testing year."

"As we move into 2010 we believe our business is appropriately positioned for current market conditions following timely restructuring, and it remains well balanced between the public and private sectors in our different regions."

"We have a track record of successfully acquiring and integrating people businesses and we expect this activity to continue when appropriate. We have positioned the business to succeed in these challenging times and to emerge an even stronger group as markets improve."

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Chairman's Statement

I am pleased to report a trading performance in 2009 that met our expectations in what has been a particularly testing year.

In the private sector our business has had to contend with some of the most difficult markets we have encountered, particularly in the UK and USA. The liquidity crisis experienced by Dubai has also had a significant impact on our performance. Our regional diversification has provided some balance, with our substantial Northern European business performing strongly, as have some of our smaller businesses such as South Africa and Asia. In the public sector we have seen a much stronger performance across all of our businesses and particularly in our major markets of Sweden and the UK.

Results

The Group's revenue reduced to £723.3m a decrease of 4% from 2008. Operating profit, before exceptional items, fell to £41.3m after absorbing £6.2m of restructuring costs, resulting in an operating margin of 5.7%. The Group's financial position remains strong and we ended the year with net debt of £59.6m, only slightly higher than last year despite the difficulties faced in Dubai. We have £150m of banking facilities in place at favourable terms through to 2013.

In the UK, our Transport & Infrastructure business, which largely addresses the maintenance of public sector assets, performed well. This helped offset severe weakness in the Property sector and a downturn in our Environment & Energy business, which is also affected by the commercial property market.

Our European business is heavily weighted to the public sector with, for example, a market leading position with the Swedish Road and Rail Authorities. It had a good year with overall revenues and profits higher than in 2008, and a strong performance across the Transport & Infrastructure, Environment & Energy and Management & Industrial sectors.

In the USA our activities are weighted to private sector property and we saw a similar trading pattern to that in the UK. Our management responded vigorously to the challenge and managed to significantly mitigate the profit impact through cost reductions. Our smaller public sector business in the USA performed well.

We saw a satisfactory performance from other regions. Activities in South Africa held up well, but Australia was not as strong, although towards the end of 2009 there were signs of improvement in that market.

Our business in the Middle East had a particularly turbulent year. The unprecedented liquidity crisis and resultant slowdown in Dubai has necessitated a significant restructuring of our business in the region with headcount falling by over 40% to around 450 staff currently. We incurred a trading loss in 2009 in the region and have also made a full provision against total receivables and amounts due on contracts in Dubai from 2008 and prior years, although we are actively pursuing the money owed. We continue to monitor events and trading in that region very closely and will take any action we consider necessary to protect the Group's position.

People

As a consequence of current business conditions we have seen our employee numbers decrease over the course of 2009 to around 9,000 people from over 10,000 at the start of the year. In addition to reducing staff levels we have taken a number of cost-saving measures that have affected our remaining employees, including salary reductions and part-time working where appropriate. These carefully considered actions were taken early and we are aware of the need to be equally timely in our response as trading improves.

Despite the overall reduction in headcount there have been some areas of the business where we have recruited staff and we have maintained our investment in graduate trainees and in our staff development and training activities.

We are very grateful for the commitment, motivation and focus being shown by our staff during these difficult times.

There was one Board change during 2009 when Malcolm Paul, who served as Group Finance Director for more than 20 years, retired from the Board. On behalf of Chris Cole and the entire Board I would like to thank Malcolm for his significant contribution to the Group. I am delighted to welcome Peter Gill as Group Finance Director in his place.

Dividend

The Board is recommending a final dividend of 10.0p per share giving a maintained total dividend for the year of 15.0p. If approved by shareholders the dividend will be paid on 11 May 2010 to shareholders on the register on 9 April 2010.

Outlook

As we move into 2010 we believe our business is appropriately positioned for current market conditions following timely restructuring, and it remains well balanced between the public and private sectors in our different regions.

Trading conditions in the private sector in our major markets currently remain subdued but we are well placed to capitalise on recovery as optimism returns, particularly as we benefit from the early stage review of projects through our services such as master-planning and feasibility studies.

There is clearly increasing caution regarding the outlook for public expenditure as governments look to reduce public sector deficits, although we believe that in Northern Europe, in particular Sweden, where our business is weighted towards the public sector, public expenditure budgets will be relatively protected.

We have been encouraged by recent project wins and our long-term order book stands at £959 million. Although this is lower than last year, it reflects a business environment where clients are wary of making long-term commitments and instead tend to award work on a shorter term, incremental basis. In this regard, our three month order book against which we manage resource is appropriately balanced.

WSP today is an international group that has been built on organic growth supported by a series of strategic acquisitions. Our performance is underpinned by strong diversified businesses in our regional markets with an ability to service international projects and global clients. We believe this is the right strategy. We have a track record of successfully acquiring and integrating people businesses and we expect this activity to continue when appropriate. We have positioned the business to succeed in these challenging times and to emerge an even stronger group as markets improve.

David Turner
Chairman

Operational review

As expected, the year proved to be challenging for the Group in some very testing markets. We have responded proactively and vigorously to the downturn experienced in many markets in the private sector, particularly in the UK and USA, and taken action to match our cost base to revenues. The public sector has proved more resilient and we have seen a good performance across all our markets, in particular from our substantial European operations where activities are weighted towards the public sector. Thus our diversification has helped us to weather the storm. We will be monitoring carefully potential changes in the UK public sector, as well as progress in the recovery of the private sector markets. Our businesses in South Africa and the Far East have enjoyed relative stability and had a sound year, although Australia proved weaker.

The economic and financial crisis in Dubai, which began to unfold in the final quarter of 2008, has had a significant impact on our results in 2009. Our business in Dubai had grown rapidly through 2008, ending that year with over 800 employees in the region. Since then the business has undergone intensive restructuring with headcount reducing by more than 40% and with a redistribution of our skills and revenues across the wider Middle East region, where we have had some success in winning new projects. The region contributed about 5% of Group revenues in 2009.

In view of the ongoing, severe liquidity shortage in Dubai we have decided to make full provision against total receivables and amounts due on contracts in Dubai from 2008 and prior years. The related charge is shown in these accounts as an exceptional item. We continue to actively pursue our contractual entitlements to amounts due but accept this could take some time and has an uncertain final outcome. As a consequence of making this provision the Group has remaining only a very modest balance sheet exposure to Dubai in respect of our 2009 trading activities.

While our long-term strategy of diversification has provided some overall resilience, our immediate priorities in 2009 - in the face of a very difficult, global, liquidity-driven recession - have been to focus on the 3Cs (Clients, Costs and Cash). That is, delivering quality services to clients, aligning costs to revenue and ensuring effective cash management.

We believe our success in the first of these - client relationships - is demonstrated by the projects we are working on and the clients we work with. Despite continuing challenges in our markets, we have been encouraged by some significant project wins during 2009, spanning all our geographies, market sectors and disciplines, and we have increased our public sector client base.

We took steps in the year to match our cost base to revenue, and our business ended the year at an appropriate size for the markets and projects with which we are involved. As we are a people business, much of the cost reduction has been in staff costs, from redundancies, reduced working hours and reductions in salaries, allowing us to protect our competitive position. We made further savings through restructuring, off-shoring and renegotiating contracts with suppliers, aiming to preserve the fabric of our businesses.

The manpower reductions were substantially completed in the first half of 2009 and, with more stable markets, we have moderated the downward trend in staff numbers and enter 2010 cautious but confident that further significant downsizing is unlikely.

As businesses around the world are discovering, it is never pleasant to have to reduce manpower. However it is encouraging to see the motivation of our workforce which remains focused on delivering our business in these difficult times, and we endorse the comments of the Chairman. The upside to the hard work is that our businesses emerge fitter and well-placed for the upturn. In certain parts of our business where we have seen growth, such as Transport & Infrastructure, we have continued to recruit. Across the Group we have made key appointments and continued to recruit talented graduates to ensure the long term development of skills.

The increased focus on working capital and cash management was reflected in our closing net debt of £59.6m, only slightly higher than last year notwithstanding the challenges presented by Dubai during 2009. As a consequence we remain comfortably within our banking covenants, and well financed with a £150m syndicated credit facility available until 2013.

Regions

In mainland Europe we have continued to win a good mix of public and private sector project work and have performed well. Recent wins in Sweden reflect our continuing strength in the civils and transportation sectors, and we continue to expand in the industrial market. Our business in Sweden is about 70% public sector, and while there will be some pressure on municipality budgets in Sweden, federal budgets are generally committed and we expect to maintain our public sector performance. We enjoyed relative market stability in Germany, while in Norway, our associate company, Multiconsult, continues to perform very well, working in many sectors including oil and gas and sustainable energy. We have also been working more closely with Multiconsult, supporting their projects with specialist Group services. In Finland, markets were generally more challenging, though we made further gains in rail, a sector which provides another good example of our success in diversification.

In the UK, our private sector work was significantly reduced but we retain a fair share of the available work. Although clients remain cautious, there is some limited demand for new construction and new projects are now starting to be developed, although financial commitments are generally short term in nature, with phased front-end development and feasibility studies. Public sector spending was boosted by fiscal stimuli which has helped off-set some of the shortfall in the private sector and we have increased our diversity within infrastructure, securing significant long term awards in the rail and water sectors. While we expect a reduction in public sector spending, we have identified potential areas to increase market share, particularly in transportation and infrastructure, and our Property and Environment & Energy businesses have been successful in securing project work in the public sector.

The USA property sector has been weak, though our businesses have been developing additional work from overseas, while major cultural and education projects have featured strongly in recent domestic wins. Environment & Energy operates here in a wide range of sectors and despite increased competition, performance has been healthy as the different sectors have responded to the various phases of the economic cycle. Our infrastructure business has performed well and the President's commitment to invest in the country’s infrastructure should boost their opportunities further. The market in the USA is regional or state-related, so it is difficult to generalise, but we expect US public sector spending to be largely maintained.

We are well established in the Middle East and active in the wider region, winning major projects in locations ranging from Abu Dhabi and Qatar to Egypt and Libya. The Middle East remains very competitive and we will continue to keep our business in that region under close review. In Africa, which has been protected to some degree from the wider global economic conditions, we had a better year. Based in South Africa, we are a major player in this market and have progressively increased market share throughout the continent. With the addition of a BEE (black economic empowerment) minority shareholding in 2009, we have increased capacity to work in the public sector. We are well placed to take advantage of market developments and are supporting the considerable investments in infrastructure in the region, including those associated with the 2010 World Cup.

Our Australian-based green building services specialists continue to be appointed to major building projects in Australia as well as around the world. The market is improving and the economy in reasonable shape. Our markets in Asia have proven more resilient to the economic downturn and we have seen some growth as we have developed our market position in the private and public sectors, particularly in Hong Kong and mainland China. We believe this region will become increasingly important to us.

Financial Performance

Headline results

The directors believe that to assist in understanding the underlying performance of the Group the statutory profit should be adjusted by excluding exceptional items. We show details of these on the Consolidated Income Statement and in the accompanying notes. Due to currency fluctuations year on year revenue change percentages have also been shown on a constant exchange rate basis (CER) to show the underlying performance.

Headline Results before exceptional items	2009 Revenue £m	2008 Revenue £m	Revenue change Headline	Revenue change CER
Property	**313.7**	363.7	(14)%	(20)%
Transport & Infrastructure	**234.5**	198.6	18%	14%
Environment & Energy	**80.5**	92.9	(13)%	(19)%
Management & Industrial	**94.6**	100.0	(5)%	(7)%
Revenue	**723.3**	755.2	(4)%	(10)%
	Profit £m	Profit £m		
Property	**12.2**	26.4		
Transport & Infrastructure	**18.2**	14.2		
Environment & Energy	**4.8**	7.2		
Management & Industrial	**6.1**	8.9		
Operating profit	**41.3**	56.7		
Associated undertakings, net of tax	**1.8**	1.4		
Profit before interest and taxation	**43.1**	58.1		
Net Finance Costs	**(4.6)**	(7.0)		
Profit before tax	**38.5**	51.1		
Taxation	**(12.1)**	(14.9)		
Profit after tax	**26.4**	36.2		
Adjusted basic earnings per share	**40.9p**	57.5p		
Adjusted diluted earnings per share	**40.6p**	56.6p		

Statutory Results	2009 £m	2008 £m
Profit after tax before exceptional items	**26.4**	36.2
Exceptional items (after tax)	**(12.9)**	0.5
Profit for the financial period	**13.5**	36.7
Basic earnings per share	**20.6p**	58.3p
Diluted earnings per share	**20.4p**	57.4p

The Group has delivered resilient financial results for the year under review in some very testing markets. Headline revenues fell by 4% to £723.3m from £755.2m. At constant exchange rates revenues fell by 10%. Operating profit, before exceptional items decreased by 27% to £41.3m after charging £6.2m of restructuring costs (2008: £3.5m). Excluding the restructuring costs, operating profit decreased by 21% to £47.5m resulting in an operating margin of 6.6%. 2009 saw a strong performance in our public sector activities with a deterioration in most private sector markets. Our Property division has been hardest hit by the downturn whereas our Transport & Infrastructure division which generates the majority of its business from the public sector, has performed strongly. The Environment & Energy and Management & Industrial divisions are weighted towards the private sectors and generally have had to respond to declining markets.

Profit before tax and exceptional items amounted to £38.5m after an increased contribution from our principal associated company, Multiconsult in Norway, and after reflecting reduced finance costs as a consequence of lower interest rates and the benefits of our bank facility refinancing in May 2008, partially offset by increased pension interest cost charged in accordance with IAS19.

Exceptional items

The continuing and severe liquidity problems seen in Dubai have had a major impact upon the Group in 2009. As a result of the lack of progress in recovering amounts due to us, we have performed a detailed review of our receivables and unbilled work in the region and have made a full provision against these balances arising in 2008 and prior years.

The amortisation of intangible assets arising on business combinations has also been separately identified as the directors believe this would otherwise distort the financial performance of the Group.

Taxation

The tax charge for the year was £11.9m (2008: £15.4m) representing an effective corporate tax rate of 46.9% (2008: 29.6%). The adjusted tax charge, including tax on associated undertakings and excluding taxes on exceptional items, on adjusted profit before tax is £12.8m which represents an effective corporate tax rate of 32.6% compared to 29.9% in the prior year. This increase is predominantly a result of the losses and restructuring costs incurred in the Middle East business which do not attract tax relief and a higher proportion of profits relating to the US businesses where tax rates are higher than in the UK and Europe.

Earnings per share

Basic and diluted earnings per share, before exceptional items are, 40.9p and 40.6p a decrease from 57.5p and 56.6p respectively. Basic and diluted earnings per share after exceptional items are 20.6p and 20.4p a decrease from 58.3p and 57.4p respectively.

Dividend

Taking account of the 2009 financial results, current market conditions and recognising the underlying strength and sound financial position of the Group, the Directors are proposing a final dividend of 10p (2008: 10p) per ordinary share making a maintained total dividend for the year of 15p (2008: 15p) which is covered 2.7 times (2008: 3.9 times) by adjusted diluted earnings per share and 1.4 times (2008: 3.8 times) by diluted earnings per share. The final dividend, if approved by shareholders, will be payable on 11 May 2010.

Financing

Despite general liquidity pressures, including the financial turmoil in Dubai, and the funding required to reduce our cost base, our net debt only marginally increased in the year to £59.6m, up from £56.2m in 2008 reflecting the strength and resilience of our diversified business. Our £150 million syndicated banking facility remains in place until 2013 and we remain able to service our medium term needs without further need for financing.

As is commonplace with banking facilities, it is a requirement to operate within certain financial covenants, which for WSP, relate to gearing and interest cover. At the full year and half year reporting dates, the ratio of gearing, being Net debt divided by earnings before interest, tax, depreciation and amortisation ('EBITDA'), must not exceed three times and the ratio of EBITDA divided by net financing interest cost needs to remain above four times. At 31 December 2009, the ratios are 1.02 times for gearing and 30 times for interest cover and hence comfortably within the requirements on this facility.

Pensions

The majority of the Group's employees participate in defined contribution pension arrangements. In the UK there are a small number of defined benefit pension schemes which are closed to new members. In addition, in Sweden there remains an unfunded liability to a Government scheme for certain historic pension benefits.

During the year the net deficit in respect of these defined benefit schemes has increased to £48.7m (2008: £36.4m). This has principally resulted from revised actuarial assumptions offset by some improvement in investment performance, as set out in Note 7 of this announcement. In 2009, employer cash contributions in respect of these schemes amounted to £3m including agreed deficit funding.

Cash flow

Cash generated from trading activities was £39.3m in the year after absorbing the £6.2m of restructuring costs previously disclosed. Effective cash management was at the forefront of our approach during the year. Capital expenditure reduced to £9.0m from £19.4m in 2008 which was unusually high as a result of London and New York office moves. Further contractual payments relating to prior period acquisitions amounted to £11.5m during the year.

	2009	2008
	£m	£m
Cash generated from operations	**39.3**	55.6
Capital expenditure (net)	**(9.0)**	(19.4)
Bank & finance lease interest	**(1.9)**	(5.4)
Tax paid	**(10.5)**	(13.9)
Currency and other movements	**(0.3)**	6.0
	17.6	22.9
Acquisitions/disposals	**(11.5)**	(11.4)
Dividends	**(9.5)**	(8.2)
Net cash (outflow)/inflow	**(3.4)**	3.3
Net debt at 1 January	**(56.2)**	(59.5)
Net debt at 31 December	**(59.6)**	(56.2)

Divisional Reviews

Property

Our Property business had a difficult year, with reported revenues falling to £313.7m, a decrease of 20% from 2008 at constant exchange rates. Operating margins fell to 3.9% after absorbing £5.1m of restructuring costs. Excluding restructuring costs operating profit was £17.3m with an operating margin of 5.5%. We partly mitigated the effects of recession by increasing our work in the public sector, while international growth and diversification helped offset some of the impact in the worst affected regions.

	2009			2008			Revenue Change	
	Revenue	**Adjusted Profit/ (loss)**	**Margin**	Revenue	Adjusted Profit	Margin	Headline	CER
	£m	**£m**	**%**	£m	£m	%	**%**	**%**
United Kingdom	**80.0**	**1.2**	**1.5%**	109.6	6.4	5.8%	(27)%	(27)%
Mainland Europe	**81.5**	**6.7**	**8.2%**	87.3	7.7	8.8%	(7)%	(8)%
United States of America	**67.3**	**5.3**	**7.9%**	76.2	7.4	9.7%	(12)%	(25)%
Africa, India & Middle East	**48.7**	**(2.4)**	**(4.9%)**	56.4	2.8	5.0%	(14)%	(26)%
Far East & Australia	**36.2**	**1.4**	**3.9%**	34.2	2.1	6.1%	6%	(6)%
	313.7	**12.2**	**3.9%**	363.7	26.4	7.3%	(14)%	(20)%

	2009	2008	**2009**	2008
	Order Book	Order Book	**Employees**	Employees
	£m	£m	**No.**	No.
United Kingdom	**145**	184	**1,123**	1,466
Mainland Europe	**63**	88	**1,079**	1,133
United States of America	**86**	126	**580**	705
Africa, India & Middle East	**95**	99	**1,037**	1,420
Far East & Australia	**49**	58	**717**	744
	438	555	**4,536**	5,468

Our businesses in the UK, USA and Middle East were particularly affected by the slowdown, with private sector projects postponed or cancelled. Our businesses in Europe, Africa and Australasia remained more stable although performance still declined.

In the UK, we acted decisively early in the year to manage costs, reducing staff numbers and incurring restructuring costs of £2.1m.

The public sector proved more resilient than the private, and we won good projects in the education, custodial, defence and healthcare sectors, as well as developing our growing expertise in the power infrastructure, aviation and data centre markets.

Construction is underway on two high profile London schemes where we provide multidisciplinary service: The Shard at London Bridge and Castle House, a residential tower incorporating three wind turbines. We secured some significant healthcare projects including the West London Mental Health NHS Trust, the £600m South Glasgow Hospital, Frimley Park Hospital and Colchester Hospital. We have developed strong supply chain relationships in the education sector in *Building schools for the future* programmes, the national academies framework and with universities.

In mainland Europe, revenues reduced by 8% at constant exchange rates and at £81.5m represented 26% of Group property revenues. The reduction was caused by increased competition, and lower demand in the private sector, which we have partly off-set by refocusing towards the public sector. We have reduced staff in some areas, but much of the impact has been absorbed through selective cost cutting and reduced overtime working.

We have been able to transfer staff between sectors and recently completed work on the biomass fuelled power plant in Igelsta, south of Stockholm where we delivered both structural and installation services. We have also been able to reassign staff who would usually work in our property division in Sweden to infrastructure projects such as tunnels where there is also a requirement for structural, mechanical and electrical engineering skills.

We have recently been appointed to a 30,000 seat multi-purpose stadium in Stockholm, and in Germany, high profile appointments include the Frankfurt headquarters of KfW bank and a 64,000 sq m mixed-use scheme comprising new and listed buildings in the centre of Munich. We had our first major breakthrough into the Danish market, with our Swedish business securing a multi-disciplinary appointment for a new high-profile school, library and after-school care facilities in Ørestad on the outskirts of Copenhagen. Considerable experience in the Finnish paper industry has also led to our appointment to provide structural engineering design for expansion of a paper mill in Chile.

Our property businesses in the USA shifted focus towards the more active science and technology, healthcare, and sports and entertainment sectors. The public sector provided increased opportunities, both at federal and state levels, while we have also been engaged by US clients operating internationally. We have also developed our commissioning business, which enjoys higher margins.

Order books came under pressure as long-term projects were completed and others postponed or delayed, and in response we reduced staff numbers and salaries. In pursuit of our sustainability objectives, we are increasing our cadre of “green buildings” experts.

Prestigious projects completed during the year included San Jose International Airport, the Beekman Tower, a 70 storey residential development in New York (with Frank Gehry), and MGM Mirage’s City Center in Las Vegas, the largest private development ever in the USA, which achieved LEED® Gold sustainability certification. Major projects secured include the National Museum of African American History and Culture in Washington DC, a new football stadium in California, and the Abu Dhabi National Oil Company headquarters in Abu Dhabi.

Our business in the Middle East was previously focused on Dubai, and as projects there were cancelled or postponed, we took action to reduce costs, incurring £1.8m of restructuring costs, and have refocused on Abu Dhabi, Oman and Qatar. This wider region has become increasingly competitive, but with our diverse range of services we are well positioned. We have secured some significant projects, including some in new areas such as Egypt, Pakistan and KSA, and now 80% of our work in the region is outside Dubai.

Africa and India were relatively resilient due to underlying growth in their economies. In South Africa we were also sustained by expenditure in advance of the 2010 soccer World Cup, where we are engaged on a number of stadia and hotels, and on other significant projects throughout Africa and the Indian Ocean. As green building consultants for the Nedbank phase II building we were pleased with its certification as South Africa’s first Green Star building. Our business in Africa is relatively diverse and we developed further our niche consultancies in refrigeration, marine and coastal engineering, green building consulting and risk management. With recent uncertainty in India, we have limited our presence, focusing mainly on multi-disciplinary projects principally to support inward investment.

WSP Lincolne Scott in Australia is a world leader in green building design and has secured additional work in the public sector by targeting healthcare and education. We also secured some major projects in South East Asia and the Pacific.

We were appointed under the Australian Federal government’s ‘Building the Education Revolution’ programme to work in over 500 schools, and also to the prestigious Vietcombank project (with Pelli Clarke Pelli Architects) and the Cancer Research Center for the University of Hawaii. We also received the Australian Engineering Excellence Award and a six-star Green Star for Macquarie Bank's new HQ. Projects completed include the tallest residential tower in Bangkok and the six-star Green Star-rated Melbourne Convention and Exhibition Centre.

Our Asian business is principally focused on Hong Kong and China and had a better year in more resilient markets. We have grown our offices in China and increased our public sector work with appointments that include a three-year framework consultancy for properties operated by the HKSAR Government. Other new projects include mixed use towers at the Tianjin World Trade Centre and at Dalian East Harbour Complex.

Transport & Infrastructure

Our Transport & Infrastructure division is well established in our principal geographic regions, with revenue predominantly generated from the public sector. Most national and local governments continued their investment in the sector during 2009 and we continue to benefit from a highly visible order book supported by long term contracts and framework agreements. Revenue increased by 14% at constant exchange rates with profits rising to £18.2m after modest restructuring costs of £0.3m, mainly arising in the Middle East.

	2009			2008			Revenue Change	
	Revenue	**Adjusted Profit**	**Margin**	Revenue	Adjusted Profit	Margin	Headline	CER
	£m	**£m**	**%**	£m	£m	%	**%**	**%**
United Kingdom	**119.5**	**9.2**	**7.7%**	90.5	6.7	7.4%	32%	32%
Mainland Europe	**78.2**	**7.5**	**9.6%**	73.6	5.5	7.5%	6%	5%
United States of America	**21.1**	**1.2**	**5.7%**	18.2	0.9	4.9%	16%	(2)%
Africa, India & Middle East	**15.0**	**0.1**	**0.7%**	15.3	1.0	6.5%	(2)%	(15)%
Far East & Australia	**0.7**	**0.2**	**28.6%**	1.0	0.1	10.0%	(30)%	(36)%
	234.5	**18.2**	**7.8%**	198.6	14.2	7.2%	18%	14%

	2009	2008	**2009**	2008
	Order Book	Order Book	**Employees**	Employees
	£m	£m	**No.**	No.
United Kingdom	**222**	288	**908**	1,077
Mainland Europe	**80**	84	**1,191**	1,155
United States of America	**36**	32	**221**	226
Africa, India & Middle East	**31**	19	**282**	259
Far East & Australia	**1**	1	**32**	15
	370	424	**2,634**	2,732

In the UK, revenue and profit increased significantly as we were busy on three significant highways maintenance contracts, while benefiting from generally increased activity in the public sector. Our joint ventures with Carillion and May Gurney performed well, with a full year's contribution from the Area 8 MAC and sustainable transport highways for Northamptonshire County Council, both of which were awarded in 2008. The Area 12 MAC contract, which substantially completed in September 2009, also contributed strongly during the first 9 months of the year. We will continue to see some activity on this contract during 2010. Revenue is reported before the deduction of subcontractor costs which occur extensively in our UK highways joint ventures. Excluding subcontractor costs underlying UK revenues increased by 15%.

We have designed and are managing a £22 million technology upgrade for the Highways Agency to provide automatic signalling on sections of the M6 and M54 motorways. We have a long association with the Highways Agency in the West Midlands and this latest technology scheme continues our commitment to work to provide safe roads, reliable journeys and informed travellers in line with the Highways Agency's Corporate Plan, *Customers First*.

In transportation planning we are engaged internationally and domestically, with demand for master-planning, transport planning and strategic advice maintained throughout much of the year but with increased competition in the UK domestic market which is showing signs that public spending may be starting to slow.

In rail, we have successfully taken advantage of our European expertise to develop a UK presence, with appointments on a variety of mainline stations and recently the contract to design the Crossrail Bond Street station. We have also achieved further diversification in our developing UK water business which secured the Yorkshire Water AMP5 Medium: Sewerage Networks Stream Framework in joint venture with Barhale Construction. We have a 35% interest in the joint venture which will be involved in the concept development, design and construction of sewerage renewal and sewerage new build schemes across the whole of the Yorkshire region.

We have largely maintained momentum in Scandinavia, which is the focus of our mainland European transportation and infrastructure business. The northern European economies have proven generally resilient to recessionary pressures and in Sweden, where we are the leading road and rail consultant we remain key players in many of the country's major, long-term rail and road projects. These include the City Line, a new underground line in central Stockholm where work on access tunnels is nearing completion ready for major works to begin in April, and the Northern Link, a new link road designed to connect Sweden's major freight harbours and ferry terminals.

WSP Sweden has also begun to build on its relationship with our Norwegian associate company Multiconsult to capitalise on the current rail boom in Norway. To date it has been engaged for the design of light rail in Bergen and the Central Station in Oslo.

We have also extended our footprint in the Swedish road sector with several major contract wins this year including a large scale laser scanning project. The project involves airborne and mobile laser scanning of more than 100 roads across Sweden with a total length of more than 1,800 km.

In Finland we secured further rail work including a new connection between Espoo and Salo together with the ring line connecting Helsinki-Vantaa airport to Helsinki.

We have maintained our position in the US in competitive markets, working predominantly in the public sector in the eastern and southern states. During the year significant wins included the inspection of 1,500 bridge structures for the New York State Department of Transportation and the seven-lane Walt Whitman Bridge for The Delaware River Port Authority. We continue to have responsibility for inspections on a number of New York City's critical bridges such as the Bronx Whitestone Suspension Bridge. We have expanded our bridge engineering and inspection capabilities to the southern states which has helped counteract some of the downturn in the private development sector.

In Africa we have been appointed for the feasibility study for a 600 km rail link from an iron ore mine in Guinea, to a port in Liberia. The project also includes upgrading the port. In South Africa, other transport projects have included several stations on the new 80km Gautrain line and upgrading O R Tambo airport. In the Middle East, we are gaining a reputation in transport development services and have been appointed to develop a comprehensive public transport masterplan for 12 cities in Jordan. Other recent project wins include the Saadiyat Tunnel in Abu Dhabi, a double stacked tunnel connecting Saadiyat Island to Abu Dhabi Island.

Environment & Energy

Our Environment & Energy business which is weighted towards the private sector had a challenging year with revenues falling by 19% at constant exchange rates and profit reducing to £4.8m after £0.3m of restructuring costs. The UK in particular suffered from reduced liquidity and activity in commercial property and construction markets although this has been partially mitigated in other markets through environmental support for longer term infrastructure projects. Our business in Sweden performed strongly as did our business in the USA where we maintained profits despite a fall in revenues.

	2009			2008			Revenue Change	
	Revenue	**Adjusted Profit**	**Margin**	Revenue	Adjusted Profit	Margin	Headline	CER
	£m	**£m**	**%**	£m	£m	%	**%**	**%**
United Kingdom	**24.7**	**1.0**	**4.0%**	35.7	2.8	7.8%	(31)%	(31)%
Mainland Europe	**21.3**	**1.9**	**8.9%**	19.9	1.5	7.5%	7%	5%
United States of America	**20.2**	**1.4**	**6.9%**	22.2	1.4	6.3%	(9)%	(23)%
Africa, India & Middle East	**5.0**	**0.6**	**12.0%**	5.0	0.6	12.0%	-	(15)%
Far East & Australia	**9.3**	**(0.1)**	**(1.1)%**	10.1	0.9	8.9%	(8)%	(16)%
	80.5	**4.8**	**6.0%**	92.9	7.2	7.8%	(13)%	(19)%

	2009	2008	**2009**	2008
	Order Book	Order Book	**Employees**	Employees
	£m	£m	**No.**	No.
United Kingdom	**30**	35	**393**	435
Mainland Europe	**11**	14	**254**	288
United States of America	**25**	25	**133**	160
Africa, India & Middle East	**3**	5	**70**	70
Far East & Australia	**2**	4	**92**	107
	71	83	**942**	1,060

In the UK, increasing activity in energy infrastructure upgrades protected us somewhat from the deterioration in the property sector. We supported Burcote Wind in assessing potential wind farm sites, and have entered into an agreement with AFC Energy to build and operate a 50 kW facility to demonstrate their fuel cell systems working as part of an integrated power station.

We led an Environmental Impact Assessment to support the UK's largest planning application, a 56 hectare industrial dock in the Wirral Waters scheme, and we are engaged to provide environmental monitoring data at the Olympic Park site. We also partner the UK Green Building Council in its Sustainability Training and Education Programme and continue to provide a broad range of services to BAA at their airport sites, and to the British Military in Germany and Italy. In mainland Europe, our leading position in the market and our strength in the energy consulting sector has served us well with numerous project management assignments for onshore wind farms in Sweden and biomass plants in Finland. In Romania we have been appointed to undertake environmental assessments for two proposed wind farms in Romania for EDP Renewables, the world’s fourth largest wind energy generator.

The USA performed well in a strongly legislated market, and long term service agreements on large accounts continued to support the business. Our contaminated land services for industrial and corporate clients continue to perform strongly and underpin the order book. We have also expanded our Sustainability & Energy team, with seven new specialists widening our base of expertise. The team provides technical assistance to the US Environmental Protection Agency, working with over 80 companies - including Bank of America, United Technologies, Kimberly-Clark, Citigroup and World Bank - to develop comprehensive climate change strategies. We also formed a partnership with software provider SAP to help companies measure and manage carbon footprints and establish broader sustainability strategies, and conducted research for Microsoft demonstrating the environmental benefits of electronic software distribution. Consol Energy continues to commission our e-records information management system to help meet environmental compliance obligations.

In the Middle East we have focused most of our business outside Dubai, continuing to work across the whole region, typically in strategic advisory services in the water and power sectors. Our diverse range of projects includes: the second public sustainability report for aluminium producer DUBAL; comprehensive planning tools to allow effective control of development of Wadi Hanifa the most significant and valuable natural landmark within the Riyadh region of Saudi Arabia; environmental compliance audits of 50 electrical sub-stations across Oman; and geotechnical supervision of piling for phase one of Masdar in Abu Dhabi. We have secured several projects in Qatar in 2009 and aim to establish a permanent presence there in 2010.

Through our Active Transfer process we continue to successfully remediate sites with environmental legacies and have completed major projects for clients in Mexico and Switzerland. Our contaminated land experts work collaboratively around the world. In Australia we are undertaking the remediation of xylene contamination at a fibre-glass resin plant. And we have been commissioned by IKEA to complete the remediation associated with the Tempe site in New South Wales.

In Australia and Asia our performance has generally been poor, reflecting a restructuring, a redirection of our sector focus and investment in infrastructure, but we are confident this gives us a strong platform to grow in the healthy marketplace of the wider Asia Pacific region. Here our software technology specialists deliver products to enable customers around the world to exceed environmental compliance and expectations. For example we helped develop the online platform for calculating a household’s assessment for Green Loans, an Australian Government initiative, and our risk management specialists have created an online system to help clients review contractor performance.

Africa has been resilient with most of our work in support of mining and infrastructure. It is also pleasing to see the emergence of specialist services in response to the threat of climate change, such as our commission to develop the Johannesburg climate change adaptation plan.

Management & Industrial

Revenue in this division fell by 7% at constant exchange rates to £94.6m, with profit falling to £6.1m after incurring £0.5m of restructuring costs, all in the UK. The division comprises businesses providing industrial process engineering consultancy, project management and front end management consulting services, including the strategic, technical, and commercial support required for complex infrastructure and construction projects. With its range of services and markets, the division has had some protection against the downturn, with our European business in particular performing well.

	2009			2008			Revenue Change	
	Revenue	**Adjusted Profit**	**Margin**	Revenue	Adjusted Profit	Margin	Headline	CER
	£m	**£m**	**%**	£m	£m	%	**%**	**%**
United Kingdom	**30.7**	**1.3**	**4.2%**	38.8	2.4	6.2%	(21)%	(21)%
Mainland Europe	**53.3**	**4.2**	**7.9%**	44.9	4.6	10.2%	19%	17%
Africa, India & Middle East	**4.4**	**0.3**	**6.8%**	9.8	1.3	13.3%	(55)%	(60)%
Far East & Australia	**6.2**	**0.3**	**4.8%**	6.5	0.6	9.2%	(5)%	(6)%
	94.6	**6.1**	**6.4%**	100.0	8.9	8.9%	(5)%	(7)%

	2009	2008	**2009**	2008
	Order Book	Order Book	**Employees**	Employees
	£m	£m	**No.**	No.
United Kingdom	**30**	34	**352**	450
Mainland Europe	**37**	26	**411**	387
Africa, India & Middle East	**8**	5	**40**	29
Far East & Australia	**5**	3	**35**	24
	80	68	**838**	890

In the UK, our advisory services in education and health have performed exceptionally well with awards in the Building Schools for the Future programme and in support of NHS Foundation Trusts. We have also seconded project management staff to a global client for a range of projects in Europe and Africa, and have been commissioned to supervise delivery on two ‘e’ learning projects in Qatar. We continue to provide high level technical and commercial review projects for the major banks, and we have also been awarded knowledge-based helpdesk commissions by Hilton Hotels and Thames Water.

In industrial process engineering, it has been a much more difficult year in the UK and our target market has generally lacked momentum and funding, forcing us to reduce costs with a resultant impact on margins. However there are some encouraging signs, with the pharmaceutical and chemical sectors starting to show renewed interest.

In the current climate we have also sought to identify international opportunities, and our relationship with China’s third largest chemical company, China Bluestar, continued to provide excellent revenues and our Shanghai office is providing GSK with a range of services and support. With further opportunities identified in the Middle East, India and Africa where we are already involved in designing four new breweries, we are seeking to diversify our services more widely as clients seek to exploit global growth prospects.

Of particular note is our appointment by Dalkia to provide design, engineering, procurement and project management services for a new biomass to energy facility for Diageo in Scotland, to reduce their annual CO_2 emissions, the largest single investment in renewable technology by a non-utility company in the UK.

Our International Aid business continues to perform well working on a range of development projects. We were appointed to two technical assistance projects, funded by the World Bank, for the Ethiopian Roads Authority. Also through the World Bank we are helping the government of Yemen in assessing road safety and advising on national strategy. Our work in Nepal which is part of the Rural Access Programme was recognised with the Global Roads Achievements Award for Advocacy organised by the International Roads Federation.

In Europe, we have strengthened our position in the industrial sector by recruiting a network of consultants across Europe, and although manufacturing has been affected by the recession, with pressure on the automotive, steel, mineral, pulp and paper sectors, we have delivered good results, with some early signs of recovery. During the year, we successfully completed the biomass-fuelled power plant in Igelsta, south of Stockholm. At Aitik in northern Sweden, one of Europe’s largest copper mines, a major investment programme is underway to double annual production to 36m tonnes. WSP has had a long term involvement there and has been delivering construction management and other multi-disciplinary design services for the development which includes new dressing plant, ore beds, water recycling and ore concentrate terminal together with support facilities.

Our Analysis and Strategy team in Sweden has also seen good growth, with a number of research projects supported by EU or state funding secured during the year.

Our project management team in Germany has continued to perform well and with increasing focus on public sector projects, order book visibility remains good, supported by long term projects such as the new Berlin International Airport.

Risks and Uncertainties

The Group has procedures for carefully monitoring the risks and uncertainties inherent in our business, and managing them at an acceptable level. Globally, we monitor our businesses using high level Key Performance Indicators. We are alert to the underlying dynamics of our businesses, and the management structures we maintain are designed to be responsive both to down-side risk and opportunity. Our strategy of diversification is intended to provide protection by reducing our overall exposure to the extremes of geographic and sector risks.

In the current economic climate, certain risks may gain more prominence either individually or when taken together. Here we set out the principal risks and uncertainties we face, together with ways they may become exacerbated and mechanisms to mitigate their impact.

Expenditure in our markets may be affected by economic volatility or recession, leading to reduced revenues. Our strategy of diversification aims to reduce exposure to any single market sector or geography, and we aim to develop market share and grow into new markets. We seek flexibility and diversity of resources to align with demand, and offset the impact of reduced revenue.

Competition can put client relationships and market share under pressure with potential long term financial consequences. We differentiate our services through our diversity and breadth of skills. We are one of a very few consultants who compete globally and can deliver some of the world's biggest projects reliably. By ensuring excellent service and quality, we aim to develop our client relationships. We aim to attract the best people, to innovate, and be seen as leaders in our markets.

Effective cash management is critically important as the majority of costs, including payroll, are paid before fees are collected from clients. We have strong relationships with a number of banks around the world who provide the finance for working capital and, where appropriate, acquisitions.. We seek to ensure operations generate cash, and manage receivables effectively. We have effective financial management systems and have developed financial measurements to monitor funding requirements.

Having sufficient skills or resources appropriate to client requirements, or there being insufficient demand for our resources. We monitor secured work closely through three-monthly cycles to ensure appropriate planning and visibility, and adjust resource plans accordingly. In doing so, we may recruit, restructure, develop or downsize parts of our business. We aim to develop diversity and flexibility in our resources and where practicable to promote the efficient transfer of skills and workload between teams. Our working practices and networks support this approach and are complemented by our resource centres and outsourcing.

Retaining and attracting the best staff is fundamental to the future development of the business in the long term and may limit capacity and frustrate client relationships and service delivery in the short term. We aim to motivate our staff through strong leadership and competitive performance-related remuneration. Our diversity allows us to provide unique development opportunities where people engage in high profile projects. We invest in knowledge-sharing and personal training to improve staff skills and provide for succession. Through our staff survey, we monitor staff satisfaction and respond if necessary.

Delivering high quality work is critical to the success of WSP. Poor delivery may mean we do not meet our own or client expectations and could lead to financial loss, claims and reputational damage. We have management processes and quality systems designed to ensure we understand and agree our clients' requirements; that the work we produce is of the highest standard and; that if issues arise we respond as soon as they become apparent, knowing this will help alleviate the situation. As is normal in our sector, we have a well developed insurance programme that is intended to respond to such claims and where appropriate, provisions may be made for uninsured loss. We will use arbitration or mediation services to reach an amicable solution.

It is essential we build and maintain our reputation by delivering value and operating responsibly, so as not to undermine the confidence of our stakeholders. Risk management procedures aim to ensure we manage all our risks effectively and that all our people act responsibly. Our sustainability strategy aims to ensure we engage with key stakeholders, recognise their sensitivities and act responsibly. Our focus on client satisfaction and delivery underpins our culture globally.

We operate in many jurisdictions and are subject to a wide range of rules and regulations. Non-compliance may mean we are subject to penalties that could have significant consequences for our operations or reputation. Regional management review their operations regularly, looking at matters such as ethical conduct, competition, employment, safety, and the environment to ensure they have appropriate controls to monitor and prevent potential breaches. This is reviewed by Group management.

We make extensive use of technology to support our business services and back office operations, and an interruption to these could prevent operations from functioning. Our property and IT management procedures aim to reduce the risks, and we limit our exposures to specific locations, facilities and support systems. Where we have identified key systems, we have developed security procedures and resilience into them to reduce the likelihood and potential impact of failures.

Decisions may be taken on the basis of incorrect or incomplete information. We have established systems of internal control and peer review in our accounting and forecasting systems that recognise risk and uncertainty and enable it to be managed within certain parameters. We aim to establish provisions where there may be expectation of additional costs. Through our diverse operations and large number of contracts, we reduce the potential for one particular issue to have a significant impact, and have capacity to manage exposure to particular uncertainties.

WSP Group plc
Consolidated Income Statement (unaudited)
For the year ended 31 December 2009

	Before exceptional items 2009 £m	Exceptional items* 2009 £m	Total 2009 £m	Before exceptional items 2008 £m	Exceptional items * 2008 £m	Total 2008 £m
Continuing operations						
Revenue	**723.3**	**-**	**723.3**	755.2	-	755.2
Subcontractor costs	**(95.4)**	**-**	**(95.4)**	(87.4)	-	(87.4)
Employee benefit costs	**(437.8)**	**-**	**(437.8)**	(462.6)	6.4	(456.2)
Cost of sales	**(533.2)**	**-**	**(533.2)**	(550.0)	6.4	(543.6)
Gross profit	**190.1**	**-**	**190.1**	205.2	6.4	211.6
Administrative expenses	**(148.8)**	**(13.1)**	**(161.9)**	(148.5)	(5.4)	(153.9)
Operating profit	**41.3**	**(13.1)**	**28.2**	56.7	1.0	57.7
Associated undertakings						
- share of profit	**2.5**	**-**	**2.5**	2.0	-	2.0
- share of taxation	**(0.7)**	**-**	**(0.7)**	(0.6)	-	(0.6)
	1.8	**-**	**1.8**	1.4	-	1.4
Profit before interest and taxation	**43.1**	**(13.1)**	**30.0**	58.1	1.0	59.1
Finance costs	**(5.2)**	**-**	**(5.2)**	(7.8)	-	(7.8)
Finance income	**0.6**	**-**	**0.6**	0.8	-	0.8
Profit before taxation	**38.5**	**(13.1)**	**25.4**	51.1	1.0	52.1
Taxation	**(12.1)**	**0.2**	**(11.9)**	(14.9)	(0.5)	(15.4)
Profit for the financial year	**26.4**	**(12.9)**	**13.5**	36.2	0.5	36.7
Profit attributable to:						
- Equity shareholders	**25.9**	**(12.9)**	**13.0**	36.3	0.5	36.8
- Minority interests	**0.5**	**-**	**0.5**	(0.1)	-	(0.1)
	26.4	**(12.9)**	**13.5**	36.2	0.5	36.7
Basic earnings per share			**20.6p**			58.3p
Diluted earnings per share			**20.4p**			57.4p

* Exceptional items are analysed in Note 2 to this announcement.

WSP Group plc
Consolidated Balance Sheet (unaudited)
As at 31 December 2009

	2009 £m	2008 £m
Assets		
Non-current assets		
Goodwill	**201.8**	202.6
Intangible assets	**4.4**	6.3
Property, plant and equipment	**30.8**	36.9
Financial assets available for sale	**0.9**	0.6
Investments accounted for using the equity method	**12.4**	11.6
Deferred taxation asset	**14.2**	9.9
	264.5	267.9
Current assets		
Trade and other receivables	**230.6**	283.9
Cash and cash equivalents	**42.6**	37.5
	273.2	321.4
Liabilities		
Current liabilities		
Financial liabilities	**(4.0)**	(7.1)
Trade and other payables	**(189.7)**	(245.6)
Liabilities for current taxation	**(5.9)**	(6.0)
	(199.6)	(258.7)
Net current assets	**73.6**	62.7
Non-current liabilities		
Financial liabilities	**(99.6)**	(86.6)
Retirement benefit obligations	**(48.7)**	(36.4)
Deferred taxation liability	**(11.6)**	(11.1)
Provisions	**(0.4)**	(8.9)
	(160.3)	(143.0)
Net assets	**177.8**	187.6
Equity		
Called up share capital	**3.2**	3.2
Share premium account	**81.8**	81.5
Other reserves	**33.5**	38.3
Retained earnings	**56.1**	62.2
Total shareholders' equity	**174.6**	185.2
Minority interests	**3.2**	2.4
Total equity	**177.8**	187.6

WSP Group plc
Consolidated Cash Flow Statement (unaudited)
For the year ended 31 December 2009

	2009 £m	2008 £m
Cash flows from operating activities		
Cash generated from operations	**39.3**	55.6
Finance costs paid	**(2.5)**	(6.2)
Finance income received	**0.6**	0.8
Taxation paid	**(10.5)**	(13.9)
Net cash from operating activities	**26.9**	36.3
Cash flows from investing activities		
Purchase of subsidiary undertakings (net of cash acquired)	**(0.6)**	(3.8)
Disposal of subsidiary undertakings (net of cash disposed)	**-**	4.0
Deferred consideration paid	**(11.5)**	(11.4)
Purchase of associates	**-**	(0.2)
Purchase of intangible assets	**(2.6)**	(2.9)
Purchase of property, plant and equipment	**(7.1)**	(20.0)
Sale of property, plant and equipment	**0.5**	3.0
Sale of intangible assets	**0.2**	0.3
Disposal of financial asset available for sale	**-**	0.1
Disposal of associates	**-**	0.1
Dividends received from associated undertakings	**0.9**	0.8
Net cash used in investing activities	**(20.2)**	(30.0)
Cash flows from financing activities		
Net proceeds of share issues	**-**	0.2
Drawdown of loan facilities	**38.0**	102.7
Repayment of loan facilities	**(28.8)**	(95.7)
Repayment of finance leases	**(0.3)**	(0.5)
Equity dividends paid	**(9.5)**	(8.2)
Net cash used in financing activities	**(0.6)**	(1.5)
Net increase in cash and cash equivalents	**6.1**	4.8
Cash and cash equivalents at 1 January	**35.1**	26.5
Exchange movements on cash and cash equivalents	**0.2**	3.8
Cash and cash equivalents at 31 December	**41.4**	35.1

WSP Group plc
Statement of Comprehensive Income (unaudited)
For the year ended 31 December 2009

	2009 £m	2008 £m
Profit for the financial year	**13.5**	36.7
Other comprehensive income		
Actuarial loss on pension schemes (net of taxation)	**(9.8)**	(5.9)
Loss on cash flow hedge	**(1.4)**	-
Foreign exchange movements (net of taxation)	**(3.4)**	36.8
Other comprehensive income for the year	**(14.6)**	30.9
Total comprehensive income for the year	**(1.1)**	67.6
Attributable to:		
- Equity shareholders	**(1.6)**	67.7
- Minority interests	**0.5**	(0.1)
Total comprehensive income for the year	**(1.1)**	67.6

Statement of Changes in Equity (unaudited)
For the year ended 31 December 2009

	Share capital £m	Share premium account £m	Retained earnings £m	Translation reserve £m	Hedging reserve £m	Total share-holders' funds £m	Minority interests £m	Total equity £m
At 1 January 2008	3.1	81.2	38.7	1.5	-	124.5	0.9	125.4
Comprehensive income:								
Profit for the year	-	-	36.8	-	-	36.8	(0.1)	36.7
Other comprehensive income:								
Foreign exchange movements	-	-	-	28.4	-	28.4	-	28.4
Net investment hedges (net of taxation)	-	-	-	8.4	-	8.4	-	8.4
Actuarial loss on pension schemes (net of taxation)	-	-	(5.9)	-	-	(5.9)	-	(5.9)
Total other comprehensive income	-	-	(5.9)	36.8	-	30.9	-	30.9
Total comprehensive income	-	-	30.9	36.8	-	67.7	(0.1)	67.6
Transactions with owners:								
Performance share plan adjustments	-	-	1.7	-	-	1.7	-	1.7
Deferred taxation related to the performance share plan adjustment	-	-	(0.8)	-	-	(0.8)	-	(0.8)
Current taxation related to the performance share plan adjustment	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Dividends	-	-	(8.2)	-	-	(8.2)	-	(8.2)
Issue of ordinary shares	0.1	0.3	-	-	-	0.4	-	0.4
Total contributions by and distributions to owners	0.1	0.3	(7.4)	-	-	(7.0)	-	(7.0)
Changes in ownership interests in subsidiaries that do not result in a loss of control:								
Minority interests created in the year	-	-	-	-	-	-	1.6	1.6
Total transactions with owners	0.1	0.3	(7.4)	-	-	(7.0)	1.6	(5.4)
At 1 January 2009	3.2	81.5	62.2	38.3	-	185.2	2.4	187.6
Comprehensive income:								
Profit for the year	-	-	13.0	-	-	13.0	0.5	13.5
Other comprehensive income:								
Foreign exchange movements	-	-	-	(2.8)	-	(2.8)	-	(2.8)
Net investment hedges (net of taxation)	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Actuarial loss on pension schemes (net of taxation)	-	-	(9.8)	-	-	(9.8)	-	(9.8)
Cash flow hedges (net of taxation)	-	-	-	-	(1.4)	(1.4)	-	(1.4)
Total other comprehensive income	-	-	(9.8)	(3.4)	(1.4)	(14.6)	-	(14.6)
Total comprehensive income	-	-	3.2	(3.4)	(1.4)	(1.6)	0.5	(1.1)
Transactions with owners:								
Performance share plan adjustments	-	-	(0.2)	-	-	(0.2)	-	(0.2)
Deferred taxation related to the performance share plan adjustment	-	-	0.5	-	-	0.5	-	0.5
Current taxation related to the performance share plan adjustment	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Dividends	-	-	(9.5)	-	-	(9.5)	-	(9.5)
Issue of ordinary shares	-	0.3	-	-	-	0.3	-	0.3
Total contributions by and distributions to owners	-	0.3	(9.3)	-	-	(9.0)	-	(9.0)
Changes in ownership interests in subsidiaries that do not result in a loss of control:								
Foreign exchange movements on minority interests	-	-	-	-	-	-	0.3	0.3
Total transactions with owners	-	0.3	(9.3)	-	-	(9.0)	0.3	(8.7)
At 31 December 2009	3.2	81.8	56.1	34.9	(1.4)	174.6	3.2	177.8

WSP Group plc
Notes (unaudited)
For the year ended 31 December 2009

1. Segmental analysis

The chief operating decision-maker has been identified as the Performance Committee. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. The segments shown below have been determined based on this information.

The Performance Committee considers the business from both a business discipline and geographic perspective. The four disciplines assessed are Property, Transport & Infrastructure, Environment & Energy and Management & Industrial. Within each of these segments the information is reported according to geographic regions.

Performance is assessed on the basis of operating profit as disclosed in the income statement, before exceptional items. Revenue is reported and assessed excluding revenue generated from inter-segment services and is therefore consistent with revenue reported in the consolidated income statement. Finance income and expense are not allocated to segments as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Segment liabilities are not considered key performance indicators for the purposes of Performance Committee reporting and are not included in the segmental disclosures.

a) Revenue by segment

	2009	2008
	£m	£m
Property		
United Kingdom	**80.0**	109.6
Mainland Europe	**81.5**	87.3
United States	**67.3**	76.2
Africa, India & Middle East	**48.7**	56.4
Far East & Australia	**36.2**	34.2
	313.7	363.7
Transport & Infrastructure		
United Kingdom	**119.5**	90.5
Mainland Europe	**78.2**	73.6
United States	**21.1**	18.2
Africa, India & Middle East	**15.0**	15.3
Far East & Australia	**0.7**	1.0
	234.5	198.6
Environment & Energy		
United Kingdom	**24.7**	35.7
Mainland Europe	**21.3**	19.9
United States	**20.2**	22.2
Africa, India & Middle East	**5.0**	5.0
Far East & Australia	**9.3**	10.1
	80.5	92.9
Management & Industrial		
United Kingdom	**30.7**	38.8
Mainland Europe	**53.3**	44.9
Africa, India & Middle East	**4.4**	9.8
Far East & Australia	**6.2**	6.5
	94.6	100.0
Revenue	**723.3**	755.2
Associated undertakings – multi-disciplined services	**32.4**	28.3
Revenue plus share of associates	**755.7**	783.5

WSP Group plc
Notes (unaudited)
For the year ended 31 December 2009

1. Segmental analysis
b) Profit by segment

	2009			2008		
	Before exceptional items £m	**Exceptional items £m**	**After exceptional items £m**	Before exceptional items £m	Exceptional items £m	After exceptional items £m
Property						
United Kingdom	**1.2**	**-**	**1.2**	6.4	(3.8)	2.6
Mainland Europe	**6.7**	**(0.3)**	**6.4**	7.7	4.4	12.1
United States	**5.3**	**(0.3)**	**5.0**	7.4	(0.9)	6.5
Africa, India & Middle East	**(2.4)**	**(0.1)**	**(2.5)**	2.8	2.0	4.8
Far East & Australia	**1.4**	**-**	**1.4**	2.1	(0.1)	2.0
	12.2	**(0.7)**	**11.5**	26.4	1.6	28.0
Transport & Infrastructure						
United Kingdom	**9.2**	**-**	**9.2**	6.7	(0.8)	5.9
Mainland Europe	**7.5**	**-**	**7.5**	5.5	2.4	7.9
United States	**1.2**	**-**	**1.2**	0.9	(0.1)	0.8
Africa, India & Middle East	**0.1**	**(0.1)**	**-**	1.0	-	1.0
Far East & Australia	**0.2**	**-**	**0.2**	0.1	-	0.1
	18.2	**(0.1)**	**18.1**	14.2	1.5	15.7
Environment & Energy						
United Kingdom	**1.0**	**-**	**1.0**	2.8	-	2.8
Mainland Europe	**1.9**	**-**	**1.9**	1.5	-	1.5
United States	**1.4**	**(0.1)**	**1.3**	1.4	(0.1)	1.3
Africa, India & Middle East	**0.6**	**-**	**0.6**	0.6	-	0.6
Far East & Australia	**(0.1)**	**(0.1)**	**(0.2)**	0.9	(0.1)	0.8
	4.8	**(0.2)**	**4.6**	7.2	(0.2)	7.0
Management & Industrial						
United Kingdom	**1.3**	**(0.1)**	**1.2**	2.4	(0.5)	1.9
Mainland Europe	**4.2**	**-**	**4.2**	4.6	(0.2)	4.4
Africa, India & Middle East	**0.3**	**-**	**0.3**	1.3	(1.1)	0.2
Far East & Australia	**0.3**	**-**	**0.3**	0.6	(0.1)	0.5
	6.1	**(0.1)**	**6.0**	8.9	(1.9)	7.0
	41.3	**(1.1)**	**40.2**	56.7	1.0	57.7
Impairment of Dubai aged debt and work in progress	**-**	**(12.0)**	**(12.0)**	-	-	-
Associated undertakings – Multi-disciplined services (net of tax)	**1.8**	**-**	**1.8**	1.4	-	1.4
Profit before interest and tax	**43.1**	**(13.1)**	**30.0**	58.1	1.0	59.1

WSP Group plc
Notes (unaudited)
For the year ended 31 December 2009

2. Exceptional items

The following items due to their unusual size or nature have been disclosed separately in the income statement.

	2009 £m	2008 £m
Amortisation of business combination intangible assets	**(1.1)**	(2.1)
Impairment of Dubai related aged debt and work in progress	**(12.0)**	-
Pension curtailment gain	**-**	6.4
Disposal of 26% share of WSP Group Africa (Pty) Ltd	**-**	2.3
Disposal of Swedish Architecture business	**-**	0.5
Disposal of Biotherm	**-**	(1.2)
Duplicate rent charge	**-**	(2.2)
Impairment of Charterhouse goodwill	**-**	(2.7)
	(13.1)	1.0

3. Dividends

	2009 £m	2008 £m
Dividends charged to equity in the year:		
Final Dividend paid in May 2009 of 10.0p per share (2008: 8.0p)	**6.3**	5.0
Interim dividend paid in October 2009 of 5.0p per share (2008: 5.0p)	**3.2**	3.2
Total dividend paid in 2009 of 15.0p per share (2008: 13.0p)	**9.5**	8.2
Final dividend proposed for payment (not charged to equity) in May 2010 of 10.0p per share (paid in May 2009: 10.0p)	**6.4**	6.3

If approved at the Annual General Meeting, which is to be convened on 5 May 2010, the proposed final dividend of 10.0p per share will be paid on 11 May 2010 to those shareholders on the register at the close of business on 9 April 2010. The shares will be ex-dividend from 7 April 2010.

4. Earnings per share

	2009 £m	2008 £m
Profit for the financial year attributable to shareholders	**13.0**	36.8
Exceptional items and amortisation of business combination intangible assets (net of taxation)	**12.9**	(0.5)
Adjusted profit for the financial year attributable to shareholders	**25.9**	36.3

	No.'000	No.'000
Weighted average number of shares in issue	**63,371**	63,012
Basic earnings per share	**20.6p**	58.3p
Adjusted basic earnings per share	**40.9p**	57.5p

Earnings per share are calculated by reference to the profit for the financial year attributable to shareholders divided by the weighted average number of shares in issue.

Adjusted earnings per share are calculated by reference to the profit for the financial year excluding exceptional items and amortisation of business combination intangible assets attributable to shareholders.

	No.'000	No.'000
Weighted average number of shares in issue	**63,371**	63,012
Dilution effects of share options	**571**	948
	63,942	63,960
Diluted earnings per share	**20.4p**	57.4p
Adjusted diluted earnings per share	**40.6p**	56.6p

5. Reconciliation of profit to operating cash flows

	2009	2008
	£m	£m
Profit for the financial year	**13.5**	36.8
Taxation	**11.9**	15.4
Depreciation	**11.7**	10.6
Performance share plan	**(0.2)**	1.7
Loss / (profit) on disposal of property, plant and equipment	**0.4**	(2.0)
Profit on disposal of businesses	**-**	(1.6)
Amortisation of intangible assets	**4.1**	4.8
Goodwill impairment	**-**	2.7
Pension curtailment gain	**-**	(6.4)
Finance income	**(0.6)**	(0.8)
Finance costs	**5.2**	7.8
Share of results of associates after taxation	**(1.8)**	(1.4)
Changes in working capital:		
- Decrease / (increase) in trade and other receivables	**59.8**	(3.8)
- (Decrease) / increase in trade and other payables	**(62.1)**	(9.7)
- (Decrease) / increase in other provisions	**(3.0)**	(0.1)
Foreign exchange and non cash movements	**0.4**	1.6
Cash generated from operations	**39.3**	55.6

6. Analysis of net debt

	1 January 2009 £m	Net cash flows £m	Foreign exchange £m	**31 December 2009 £m**
Cash balances	37.5	4.9	0.2	**42.6**
Bank overdrafts	(2.4)	1.2	-	**(1.2)**
Cash and cash equivalents	35.1	6.1	0.2	**41.4**
Current				
Bank loans	(4.3)	2.3	(0.2)	**(2.2)**
Finance Leases	(0.4)	(0.2)	-	**(0.6)**
Non-current				
Bank loans	(85.6)	(11.5)	(0.3)	**(97.4)**
Finance Leases	(1.0)	0.3	(0.1)	**(0.8)**
	(56.2)	(3.0)	(0.4)	**(59.6)**

7. Pensions

The Group operates both defined contribution and defined benefit pension schemes.

In the UK, there are six separate defined benefit schemes, all of which are closed to new members. The assets of the schemes are held separately from those of the Group in independently administered funds. In 2004, pensionable salaries were frozen following consultation with staff.

In Sweden, a proportion of the multi-employer Government run defined benefit plan is carried on the Group's consolidated balance sheet. Future service accrual under this arrangement ceased in 2008 where the employees became fully included in the Government plan's arrangements. The multi-employer Government plan retains substantial other assets to meet the balance of pension liabilities. As the directors are unable to identify the underlying assets and liabilities of this element of the scheme, it is treated as a defined contribution scheme for the purposes of IAS 19 'Employee Benefits'.

Assumptions

	2009	2008
UK		
Rate of increase in pensionable salaries	**nil**	nil
Rate of increase in pensions in payment	**3.3%**	2.9%
Discount rate	**5.7%**	6.4%
Inflation assumption	**3.7%**	3.0%
Expected return on plan assets	**6.3%**	6.0%
Life Expectancy at age 65 (for member currently aged 65)		
- Men	**87.2**	87.2
- Women	**89.6**	89.6
Life Expectancy at age 65 (for member currently aged 50)		
- Men	**88.7**	88.7
- Women	**91.0**	91.0
Sweden		
Rate of increase in pensionable salaries	**nil**	nil
Rate of increase in pensions in payment	**2.3%**	3.0%
Discount rate	**3.8%**	4.0%
Inflation assumption	**2.0%**	2.0%
Expected return on plan assets	**n/a**	n/a
Life Expectancy at age 70		
- Men	**86.7**	84.7
- Women	**89.0**	87.7
Life Expectancy at age 50		
- Men	**79.1**	84.4
- Women	**82.4**	87.3

Analysis of the movement in net deficit

	UK £m	Sweden £m	**Total 2009 £m**	2008 £m
As at 1 January	19.5	16.9	**36.4**	31.6
Employee benefit costs	0.5	-	**0.5**	1.4
Net finance cost	1.1	0.6	**1.7**	0.5
Curtailments and settlements	-	-	**-**	(6.4)
Contributions from employer	(3.0)	-	**(3.0)**	(2.2)
Net actuarial loss recognised in the year	11.5	1.6	**13.1**	9.4
Foreign exchange movements	-	-	**-**	2.1
As at 31 December	29.6	19.1	**48.7**	36.4

8. Cautionary statement

All statements other than historical fact included in this document including, without limitation, those regarding the financial condition, results, operations and businesses of WSP Group plc and its strategy, plans and objectives and the markets and economies in which it operates, are forward-looking statements. Such forward-looking statements, which reflect management's assumptions made on the basis of information available to it at the time, involve known and unknown risks, uncertainties and other important factors which could cause the actual results, performance or achievements of WSP Group plc or the markets and economies in which WSP Group plc operates to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Nothing in this document should be regarded as a profit forecast.

9. Financial information

The Listing Rules of the UK Listing Authority (LR 9.7A.1) require that preliminary unaudited statements of annual results must be agreed with the listed company's auditors prior to publication, even though an audit opinion has not yet been issued. In addition, the Listing Rules require such statements to give details of the nature of any likely modification that may be contained in the auditors' report to be included with the annual report and accounts. WSP Group plc confirms that it has agreed this preliminary statement of annual results with PricewaterhouseCoopers LLP and that the Board of Directors has not been made aware of any likely modification to the auditors' report required to be included with the annual report and accounts for the year ended 31st December 2009.

The information in this announcement, which was approved by the Board of Directors on 1 March 2010, does not comprise statutory accounts for the years ended 31st December 2009 or 31st December 2008, within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2008, which contained an unqualified audit report under Section 235 of the Companies Act 1985 and which did not make any statements under Section 237 of the Companies Act 1985, have been delivered to the Registrar of Companies in accordance with Section 242 of the Companies Act 1985.